

CONSTRUCTION INSURANCE:

How to Influence Your Experience Modification Rate (EMR)

Decrease claims. Enhance your rating.
Control your premiums.

A poor experience modification rate (EMR) can have serious, long-term consequences for your business. It can:

- Drive up your insurance premiums
- Prevent you from prequalifying on bids
- Affect new and ongoing projects
- Damage your reputation

5 Steps to Influence Your EMR

Influencing your EMR takes commitment. But it's worth it. A favorable rating can help you save on premiums — and in the long term, it can help you improve your prequalification standing, win work and grow your business.

But where do you start? We've identified five key steps that can have a meaningful impact:

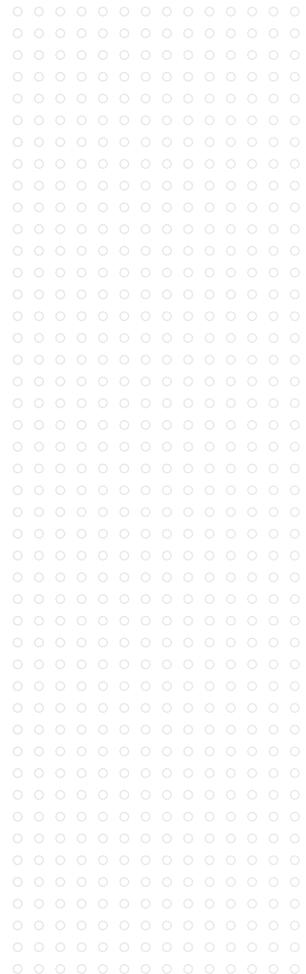
Step 1: **CLOSE CLAIMS AS QUICKLY AS POSSIBLE**

Claims that hang around can affect your EMR for years to come. Report *all* claims promptly, no matter how small. Have a claims management specialist act for you to ensure quick resolutions and the best possible outcome for everyone concerned.

You should also routinely review the terms of your insurance to ensure it meets your current and evolving needs. Include your claims management specialist in these reviews, and take the opportunity to develop strategies for closing potential claims quickly.

Step 2: **CREATE A CULTURE OF SAFETY**

Making safety central to your culture helps reduce injuries, which reduces workers' comp claims. Make sure all employees know worksite safety rules and procedures. Let site managers know that safety is more important than daily production schedules.



Step 3: **START A RETURN-TO-WORK (RTW) PROGRAM**

Return-to-work programs help employees get back to work more quickly after an injury. This reduces costs connected with long absences, and can limit claims to medical expenses only, decreasing the impact on your EMR.

An RTW program can also help improve employee morale and worker retention. Consider offering RTW options such as charitable volunteer work in addition to light worksite duties.

Step 4: **CONSIDER RETAINING MORE RISK**

Consider asking for a higher deductible that allows you to pay smaller, more common claims out of pocket. This can have a very real impact on your EMR, since the frequency of claims counts more toward your rating than their severity.

An experienced broker can advise you on whether this option is available to you, and how much it could help your company; both depend on your insurer and on state regulations.

Step 5: **VERIFY YOUR EMR NUMBERS**

Your EMR is calculated based on the numbers that your insurer reports, so be sure they have the right numbers. Mistakes in loss and payroll data, schedules and classification — even simple clerical errors — can all skew your EMR.

HUB specialists can conduct an EMR audit on your behalf to ensure that errors don't negatively affect your rating — and your bottom line.

While helping verify EMR numbers, our premium audit team recently saved a client **\$235,000** on its insurance simply by spotting errors in the classification of employees.

DON'T JUST REACT. PLAN FOR THE LONG TERM.

Because of the way EMR is calculated, a slip-and-fall that happened yesterday can affect your score for the next two years — while improvements you put in place today won't influence it for up to two years.

HUB partners with you for the long term, with advice on safety programs, risk management and claims handling that can help you achieve — and keep — a favorable EMR.

Protect what matters most

We can advise you on how to manage the risks that are unique to your world and its interconnected players, and tailor a plan to help influence your EMR.

That's how we help you gain peace of mind, and ensure that in the face of the unexpected, you can always be trusted to deliver.

Contact a HUB construction insurance expert at

hubinternational.com